



House of Representatives

General Assembly

File No. 552

February Session, 2002

House Resolution No. 15

House of Representatives, April 22, 2002

The House Committee on Appropriations reported through REP. DYSON of the 94th Dist., Chairperson of the Committee on the part of the House, that the resolution ought to be adopted.

**RESOLUTION PROPOSING APPROVAL OF AN ARBITRATION
AWARD BETWEEN THE STATE OF CONNECTICUT AND THE
CONNECTICUT STATE EMPLOYEES ASSOCIATION, (P-3B) UNIT.**

Resolved by this House:

- 1 That the arbitration award between the State of Connecticut and the
- 2 Connecticut State Employees Association, (P-3B) Unit, issued by the
- 3 arbitrator March 23, 2002, effective July 1, 2001, to June 30, 2005,
- 4 inclusive, and submitted to this assembly for approval April 3, 2002, as
- 5 provided in subsection (b) of section 5-278 of the general statutes, is
- 6 approved.

APP House Favorable

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Fund-Type	Agencies Affected	FY 02 \$	FY 03 \$	FY 04 \$
All Funds - Cost	Departments of Correction, Mental Health and Addiction Services, Mental Retardation, Social Services, Children and Families, the Board of Education and Services for the Blind, and the UConn Health Center	2,115,575	4,686,183	9,288,163
GF - Cost	Same as Above	1,733,713	3,840,327	7,611,649

Note: GF=General Fund

Municipal Impact: None

Explanation

This arbitration award for the Education Professions (P-3B) bargaining unit is submitted for approval for the four-year period July 1, 2001 through June 30, 2005. Costs shown above are for the 958 full-time All Funds employees, including 786 General Fund employees covered by this contract. The estimated FY 05 cost of the award is \$13,156,830 for All Funds, which includes \$10,782,022 for the General Fund. The estimated annualized FY 05 cost of the award is \$14,449,921 for All Funds, which includes \$11,841,710 for the General Fund. Details of the costs are attached.

Sufficient funding was carried forward to cover the FY 02 costs associated with this award. The revised FY 03 Appropriations Committee budget (sHB 5019) includes sufficient funding to cover the FY 03 cash costs of the award. However, the addition of a 3% step in FY 03 and another 3% step in FY 05 results in unbudgeted costs totaling \$3.3 million over the life of the contract. The budget includes

funding for a 3% General Wage Increase and on-time Annual Increments. This is the same pattern that has been established for the out-years. Although the cash costs of these additional steps are offset by a five-month delay in Annual Increments in FY 03 and FY 05, the award is anticipated to exceed the budgeted amount and out-year pattern by \$2.9 million over the life of the contract.

Cost Estimate of Award

All Funds

Education Professions (P-3B) Bargaining Unit

Agencies Affected: Departments of Correction, Mental Health and Addiction Services, Mental Retardation, Social Services, Children and Families, the Board of Education and Services for the Blind, and the UConn Health Center

Term of Contract: Four years, July 1, 2001 through June 30, 2005

Number of Full-Time Employees Affected by Contract:

786	General Fund
172	Other Funds
958	Total

Average Full-Time Salary Data:

Percent Increase (Cash Basis)

	Salary	Total	General Wage Increase	Annual Increments, Extra Steps	Other
Prior to Contract	\$54,676				
1st Year of Contract (FY 02)	56,728	3.75%	2.73%	1.02%	0.00%
2nd Year of Contract (FY 03)	58,478	3.08%	2.73%	0.21%	0.14%
3rd Year of Contract (FY 04)	60,793	3.96%	2.82%	1.08%	0.06%
4th Year of Contract (FY 05)	63,584	4.59%	2.80%	1.66%	0.13%

Percent Increase (Annualized Basis)

	Salary	Total	General Wage Increase	Annual Increments, Extra Steps	Other
Prior to Contract	\$54,676				
1st Year of Contract (FY 02)	57,448	5.07%	2.96%	2.11%	0.00%
2nd Year of Contract (FY 03)	61,251	6.62%	2.96%	3.52%	0.14%
3rd Year of Contract (FY 04)	64,475	5.26%	2.96%	2.24%	0.06%
4th Year of Contract (FY 05)	68,694	6.54%	2.96%	3.45%	0.13%

Cost Summary Data (Estimated):

	Prior to	At End	Percent
	Contract	of Contract	Increase
	Contract	Annualized	
Salaries [1]	\$ 52,380,063	\$ 65,803,120	25.6%
Fringe Benefits [2]	<u>\$ 16,313,297</u>	<u>\$ 18,560,317</u>	13.8%
Total	\$ 68,693,360	\$ 84,363,437	22.8%

5.27% Average per year (compounded)

[1] Salaries include base salary, longevity payments, shift differential, meal allowances, and the lump-sum payments for 12-month teachers.

[2] Fringe benefits include Social Security, normal cost of pension contributions, health insurance, life insurance, Tuition Reimbursement Fund, Conference and Workshop Fund, and the Quality of Worklife Fund.

Detail of Cost Estimates All Funds

Contract Items	FY 02	FY 03	FY 04[1]	FY 05[1]	FY 05
					Annualized [1]
First Year (FY 02)					
3% General Wage Increase Effective 7/13/01 (24 pay periods)	\$ 1,431,506	\$ 1,550,798	\$ 1,550,798	\$ 1,550,798	\$ 1,550,798
Annual Increments	533,728	1,104,596	1,104,596	1,104,596	1,104,596
Add Domestic Partners to the Definition of Immediate Family for Sick Leave	Minimal	Minimal	Minimal	Minimal	Minimal
Increase Family Sick Days from Three to Five	Minimal	Minimal	Minimal	Minimal	Minimal
Increase Non Immediate Family Funeral Leave for School Year Employees from Three to Four Days for 10-month Employees, and from Three to Five Days for 12-month Employees	Minimal	Minimal	Minimal	Minimal	Minimal
Increase Travel Meal Reimbursement upon Approval	Minimal	Minimal	Minimal	Minimal	Minimal
Total First Year	\$ 1,965,234	\$ 2,655,394	\$ 2,655,394	\$ 2,655,394	\$ 2,655,394
Second Year (FY 03)					
3% General Wage Increase effective 7/12/02 (24 pay periods)		\$ 1,505,040	\$ 1,630,460	\$ 1,630,460	\$ 1,630,460
Annual Increments Delayed Five Months		64,800	1,062,136	1,062,136	1,062,136
Add a 3% Step to All Pay Plans		53,347	875,093	875,093	875,093
Upgrade Vocational Rehabilitation Counselor (BESB) Title Effective 7/1/02		26,800	28,000	28,000	28,000
Correction Department Vocational Instructor and Recreation Supervisor may Use MA and Six Year Schedule of Teacher Pay Plan		11,685	11,685	11,685	11,685
Eliminate First Step of Teacher Plan Effective 7/1/02		36,100	36,100	36,100	36,100
Increase Travel Meal Reimbursement Effective 7/1/02		Minimal	Minimal	Minimal	Minimal
Total Second Year		\$ 1,697,772	\$ 3,643,474	\$ 3,643,474	\$ 3,643,474
Third Year (FY 04)					
3% General Wage Increase effective 7/1/03 (24.8 pay periods)			\$ 1,657,299	\$ 1,737,490	\$ 1,737,490
Annual Increments			468,615	970,068	970,068

	FY 02	FY 03	FY 04[1]	FY 05[1]	FY 05 Annualized [1]
Contract Items					
Additional Annual Increments Cost Due to FY 03 Added Step			166,130	343,216	343,216
Elimination of Teacher Plan Step in FY 03 (new hires)			37,200	37,200	37,200
Total Third Year			\$ 2,329,244	\$ 3,087,975	\$ 3,087,975
Fourth Year (FY 05)					
3% General Wage Increase effective 7/1/04 (24.6 pay periods)				\$ 1,730,528	\$ 1,829,014
Annual Increments				397,019	829,178
Additional Annual Increments Cost Due to FY 03 Added Step				157,982	326,384
Add a 3% Step to All Pay Plans				471,085	973,239
Elimination of Teacher Plan Step in FY 03 (new hires)				38,200	38,200
Eliminate First Step of Teacher Plan on 7/1/04				40,200	40,200
Total Fourth Year				\$ 2,835,015	\$ 4,036,214
Total Contract Items	\$ 1,965,234	\$ 4,353,166	\$ 8,628,112	\$ 12,221,858	\$ 13,423,057
Social Security Costs	150,341	333,017	660,051	934,972	1,026,864
Total Cost of Contract	\$ 2,115,575	\$ 4,686,183	\$ 9,288,163	\$ 13,156,830	\$ 14,449,921
Estimated General Fund Cost	\$ 1,733,713	\$ 3,840,327	\$ 7,611,649	\$ 10,782,022	\$ 11,841,710

[1] This cost analysis is based on annual costs equaling the payment of 26 payrolls. PA 99-1 of the June Special Session authorizes the development of the 2003-2005 state budget on a GAAP (Generally Accepted Accounting Principles) basis. This change will basically add one-tenth of a payroll to annual costs beginning in FY 04.

Notes:

- (1) This award also provides for increases for substitute teachers and instructors. These increases are estimated to cost \$38,600 in FY 03, \$60,900 in FY 04, and \$83,300 in FY 05.
- (2) A side letter in this agreement provides for \$60,000 (one year's amount) to be carried forward in the Quality of Work Life Fund.
- (3) This award also contains a provision that would allow for a cash payment for compensatory time, with the Office of Policy and Management's approval, in the event an agency cannot allow an employee to use accrued compensatory time.

OFA Bill Analysis

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SUMMARY:

A separate analysis is not prepared since the fiscal note contains much of the same information that would go into a separate analysis.

COMMITTEE ACTION

Appropriations Committee

House Favorable Report

Yea 33 Nay 2